



STATE OF WASHINGTON

WASHINGTON STATE LIQUOR CONTROL BOARD

1025 East Union Ave.
Olympia, Washington 98504-2531

October 29, 1987

M.I.W. BULLETIN 127

TO: ALL BEER AND WINE WHOLESALERS

RE: EXTENSION OF CREDIT ON SOFT DRINKS AND BOTTLED WATERS --
PROHIBITED BY BEER AND WINE WHOLESALERS

Beer and wine wholesalers are prohibited from extending credit on soft drinks and bottled waters by current statutes.

The question has recently arisen as to whether or not the manufacturer of soft drinks or bottled waters could extend credit to retail licensees. Provided the soft drink/bottled water manufacturer is not a licensee of the board, the Board has no control over the business practices of non-alcohol licensees and their business practices with retailers.

If the non-liquor licensed producer of soft drinks/bottled waters desires to hire a trucking firm to deliver and service (i.e. stock shelves and maintain shelf order) their products to retailers this is not an activity regulated by the Board.

Beer and wine wholesalers may act as the trucking or delivery agent under the following conditions:

1. The beer and wine wholesaler must not have a financial or other corporate relationship with the soft drink/bottled water producer except for being paid on a per case basis for delivery of the soft drink/bottled water product.
2. The soft drinks/bottled waters to be delivered are not inventory owned by the beer and wine wholesaler.
3. The soft drink/bottled water producer pays compensation to the beer/wine wholesaler at a fair market value for any and all services performed by the wholesaler in connection with the delivery of the soft drink/bottled water. This includes, but is not limited to payment of fees at fair market value for storage if the beer/wine wholesaler stores or warehouses the soft drink/bottled waters, sales pitches, order taking, contacts and contracts to carry the product, stocking and building displays, etc.
4. The invoice, credit and the risk of bad debt are that of the soft drink/bottled water producer.

DEFENDANT'S EXHIBIT	
CASE NO.	C04-0360P
EXHIBIT NO.	501

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Again, the beer and wine wholesaler is paid simply as a delivery service or trucking agent by the soft drink/bottled water producer. The beer and wine wholesaler may not provide credit or any other money or moneys' worth to the retailer in connection with the delivery of the soft drinks/bottled waters. The purchase/sale relationship, including payment terms, must be strictly and directly between the soft drink/bottled water producer and the retail outlet.

Any beer or wine wholesaler who is acting as a contract carrier may need a permit from the Utilities and Transportation Commission (UTC). For more information on UTC permits you may contact Roy Murray, UTC Field Operations at (206) 575-0750.

I hope this clarifies any questions industry members may have. If you have any further questions, please feel free to contact your local MIW Officer or this office.

Sincerely,



Janice Lee Britt, Supervisor
Manufacturers, Importers and
Wholesalers Division

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